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GLICKMAN URGES REVISION OF FRINGE BENEFIT REGULATIONS

In a letter to Roscoe L. Egger, Jr., commissioner of the Internal Revenue Service, Rep. Dan Glickman (D-Kan.) urged revision of regulations dealing with taxation of fringe benefits such as non-business flights on corporate aircraft. Calling the computation of the value of such flights, as outlined in the IRS rules, "extremely unfair and . . . punitive by design," Glickman said that taxing an individual for a flight that is both business and personal at a rate equal to three times first class airfare is "outside all bounds of reasonableness." In the letter *(which is printed on the back of Page 50)*, Glickman said it was evident that the "regulations were crafted based on a fundamental misconception about the use of corporate aircraft," and if allowed to become permanent would make it "much more difficult for this industry to pull out of its severe slump."

OMB DIRECTS FAA TO STUDY ELIMINATION OF FEDERAL FSS SERVICES

Office of Management and Budget has directed FAA to study the concept of eliminating federally operated flight service stations, leaving private vendors to supply information now provided by the FSS network. "Our understanding of what OMB wants," an FAA spokesman said, is that FAA "would just get out of the business and let private firms come in and provide service on a fee basis."

Details of the OMB-ordered study, which is expected to encounter strenuous opposition from both aviation interests and Congress, were revealed last week in a memo FAA Administrator Donald Engen sent to the agency's FSS personnel. Engen said FAA has been ordered to "study the privatization of flight service stations." While emphasizing that "no one should be concerned that a decision of this significance is imminent, or that privatization of flight service stations is a foregone conclusion," he acknowledged that privatization of the FSS program was identified as one way of reducing federal costs.

The study will be performed by a private contractor and is expected to be completed by mid-May. Engen said that study "will discuss feasibility of such a transfer only, that is the advantages and disadvantages of privatization. It will contain no recommendations. That aspect of the project will be undertaken solely by FAA employes" with resulting recommendations to be sent to DOT Secretary Elizabeth Dole

"It goes without saying that because privatization will move the system to a 'pay-for-service' concept, that we would have to look carefully at safety implications that might result because a pilot might choose not to pay and to fly without obtaining important information," Engen said. "Safety is, and will always remain the primary concern of the FAA." Despite the privatization study, Engen said FAA is proceeding with its FSS modernization/consolidation program "based on my belief that the agency must not place the entire FSS modernization program, and you, in limbo while we await decisions on privatization."

NEW RULES PROPOSED FOR ELECTRONIC ENGINE CONTROL SYSTEMS

Federal Aviation Administration has proposed the addition of a new section to Part 33 of the *Federal Aviation Regulations* "to establish requirements for the certification of electronic aircraft engine control systems" on aircraft. FAA said such systems have already been developed for turbine engines and the po-

(Continued on the following page)

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BUSINESS/PERSONAL AIRCRAFT INDUSTRY – JANUARY UNIT SHIPMENTS

		Jan. 85	Cal. Year
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-77	Skipper	0	0
BE-C23	Sundowner	0	0
BE-C24R	Sierra	0	0
BE-F33A	Bonanza	1	1
BE-V35B	Bonanza	0	0
BE-A36	Bonanza	5	5
BE-B36TC	Bonanza	0	0
• Multi-Engine			
BE-B55	Baron	0	0
BE-E55	Baron	0	0
BE-58	Baron	1	1
BE-58TC	Baron	0	0
BE-58P	Baron	2	2
BE-76	Duchess	0	0
BE-B60	Duke	0	0
BE-C99	Airliner	0	0
BE-C90-1	King Air	1	1
BE-F90-1	King Air	1	1
BE-B100	King Air	0	0
BE-200	Super King Air	1	1
BE-200C	Super King Air	0	0
BE-300	Super King Air	2	2
BE-200T	Super King Air	0	0
BE-C99	Commuter	0	0
BE-1900	Commuter	0	0
BE-1900C	Commuter	0	0
TOTAL		14	14
Manufacturers net billing – $10,980,029.50			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	1	1
HS-748		0	0
BAe 146-100		0	0
BAe 146-200		0	0
HS-125-700	Model A	0	0
HS-125-700	Model B	0	0
HS-125-800	Model A	2	2
HS-125-800	Model B	0	0
TOTAL		3	3
PILATUS BRITTEN-NORMAN LTD.			
• Multi-Engine			
BN-2B	Islander	0	0
BN-2T	Islander	0	0
Mark III	Trislander	0	0
TOTAL		0	0
CANADAIR LTD.			
• Multi-Engine			
CL-600	Challenger	0	0
CL-601	Challenger	3	3
TOTAL		3	3
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-152		11	11
CE-A152	Aerobat	0	0
CE-172	Skyhawk	22	22
CE-172	Cutlass	0	0
CE-172RG	Cutlass	1	1
CE-182	Skylane	11	11
CE-182	Turbo Skylane	0	0
CE-182RG	Skylane RG	1	1
CE-182RG	Turbo Skylane RG	1	1
CE-185	Skywagon	2	2
CE-U206	Stationair 6	5	5
CE-TU206	Turbo Stationair 6	2	2
CE-207	Stationair 8	0	0
CE-TU207	Turbo Stationair 8	0	0
CE-210	Centurion	0	0
CE-T210	Turbo Centurion	0	0
CE-P210	Pressurized Centurion	0	0
CE-188	AgHusky	0	0
CE-188	AgTruck	0	0
• Multi-Engine			
CE-303	Crusader	1	1
CE-335		0	0
CE-340		0	0
CE-402		1	1
CE-404	Titan	0	0
CE-414	Chancellor	0	0
CE-421	Golden Eagle	0	0
CE-425	Conquest I	4	4
CE-441	Conquest II	1	1
CE-500	Citation I	0	0
CE-550	Citation II	0	0
CE-550S/II	Citation II	2	2
CE-650	Citation III	1	1
CESSNA/REIMS AVIATION			
• Single-Engine			
CE-F152		1	1
CE-F152	Aerobat	0	0
CE-F172	Skyhawk	0	0
CE-FR172	Hawk XP	0	0
CE-F182	Skylane	0	0
CE-F182RG	Skylane RG	0	0
TOTAL		67	67
Manufacturers net billing – $22,508,508			
AVIONS-MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	0	0
AD-My.20	Falcon	0	0
AD-My.200	Falcon	3	3
AD-My.50	Falcon	1	1
TOTAL		4	4
DEHAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-5		0	0
DHC-6		0	0
DHC-7		1	1
TOTAL		1	1
EMBRAER			
• Single-Engine			
EMB-200		0	0
EMB-201	Ipanema	3	3
EMB-710	Carioca (PA-28-235 Dakota)	2	2
EMB-711	Corisco (PA-28RT-201 Arrow)	0	0
EMB-712	Tupi (PA-28-181 Archer II)	0	0
EMB-720	Minuano (PA-32-310 Seratoga)	0	0
EMB-721	Sertanejo (PA-32R-301 Seratoga)	0	0
• Multi-Engine			
EMB-110P	Bandeirante	6	6
EMB-110P1A	Bandeirante	0	0
EMB-121	Xingu	1	1
EMB-810D	Seneca II	1	1
EMB-820	Chieftain	1	1
TOTAL		14	14
FAIRCHILD AIRCRAFT CORP.			
• Multi-Engine			
Merlin III-C		0	0
Fairchild 300		0	0
Merlin IV-C		0	0
Metro III		0	0
Expediter		0	0
TOTAL		0	0
GATES-LEARJET			
• Multi-Engine			
LR-25D		0	0
LR-29		0	0
LR-35A		0	0
LR-36A		0	0
LR-55		0	0
TOTAL		0	0
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	0	0
AE-840	Turbo Commander	0	0
AE-900	Commander 900	0	0
AE-980		0	0
AE-1000		0	0
TOTAL		0	0

		Jan. 85	Cal. Year
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1124	Westwind 1	0	0
1124A	Westwind 2	0	0
TOTAL		0	0
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		2	2
LA-250	Renegade	1	1
TOTAL		3	3
MAULE AIR INC.			
• Single-Engine			
M-5-180C		1	1
M-5-200		0	0
M-5-235C	Lunar Rocket	1	1
M-6-235		0	0
M-7-235	Super Rocket	1	1
TOTAL		3	3
Manufacturers net billing -- $119,436			
MITSUBISHI			
• Multi-Engine			
Solitaire		0	0
Marquise		0	0
Diamond		1	1
TOTAL		1	1
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201	7	7
M-20K	231	1	1
TOTAL		8	8

		Jan. 85	Cal. Year
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-38-112	Tomahawk	0	0
PA-28-161	Warrior	5	5
PA-28-181	Archer II	7	7
PA-28-236	Dakota	1	1
PA-28RT-201	Arrow IV	0	0
PA-28RT-201T	Turbo Arrow IV	4	4
PA-32-301	Saratoga	3	3
PA-32-301T	Turbo Saratoga	0	0
PA-32R-301	Saratoga SP	0	0
PA-32R-301T	Turbo Saratoga SP	1	1
PA-46-310P	Malibu	7	7
• Multi-Engine			
PA-31-310	Navajo	0	0
PA-31-325	Navajo C/R	0	0
PA-31-350	Chieftain	0	0
PA-31P-350	Mojave	2	2
PA-31T-500	Cheyenne I	0	0
PA-31T-500	Cheyenne IA	1	1
PA-31T-620	Cheyenne II	0	0
PA-31T2-620	Cheyenne IIXL	0	0
PA-42-720	Cheyenne III	0	0
PA-42-720	Cheyenne IIIA	0	0
PA-42-400LS	Cheyenne	2	2
PA-34-220T	Seneca III	4	4
PA-44-180	Seminole	0	0
PA-44-180T	Turbo Seminole	0	0
PA-601B	Aerostar	0	0
PA-601P	Aerostar	0	0
PA-602P	Aerostar	0	0
PA-700P	Aerostar	3	3
PA-T1020		0	0
PA-T1040		0	0
TOTAL		40	40
Manufacturers net billing -- $10,846,296			
SHORT BROTHERS LTD.			
• Multi-Engine			
SBJ-CS-7	Skyvan	0	0
SD-3-30		0	0
SD-3-60		1	1
TOTAL		1	1
	SINGLE-ENGINE	110	110
	MULTI-ENGINE	52	52
	GRAND-TOTAL	162	162

UNIT SHIPMENTS COMPARATIVE TREND: 18 MANUFACTURERS

	January			Calendar Year to Date		
	1985	1984	1983	1985	1984	1983
Beech	14	37	16	14	37	16
British Aerospace	3	1	1	3	1	1
Britten Norman	0	0	0	0	0	0
Canadair	3	2	*	3	2	*
Cessna	67	54	101	67	54	101
Dassault	4	0	4	4	0	4
DeHavilland	1	2	*	1	2	*
Embraer	14	14(5)	11(5)	14	14(5)	11(5)
Fairchild	0	2	1	0	2	1
Gates	0	0	2	0	0	2
Gulfstream	0	4	2	0	4	2
Israel	0	0	0	0	0	0
Lake	3	1	1	3	1	1
Maule Aircraft Inc.	3	2	3	3	2	3
Mitsubishi	1	1	2	1	1	2
Mooney	8	6	12	8	6	12
Piper	40	33	71	40	33	71
Short	1	1	1	1	1	1
TOTAL	162	160	228	162	160	228

Parenthes.* show actual Embraer deliveries, not including aircraft kits.
* Figures not available.